



Public School Employees' Retirement Board

Board Meeting Minutes

June 11, 2021

Call to Order: Christopher SantaMaria, Board Chair, called the meeting to order at 1:23 P.M. via MS Teams.

Board Members Present:

Christopher SantaMaria, Chair
Rep. Frank Ryan, Vice-Chair
Jason M. Davis
Eric O. DiTullio
Deborah J. Beck

Patrick Shaughnessy for Rep. Matt
Bradford
Sen. Patrick M. Browne
Susan C. Lemmo
Nathan G. Mains

Sen. Katie Muth
Patrick Lord for Sec. Noe Ortega
Treas. Stacy Garrity
Melva S. Vogler
Sec. Richard Vague

Others Present:

Anne Baloga
James Bloom
Susan Boyle
Thomas Clancy
Stacey Connors

Christopher Craig
Suzanne Dugan, Cohen Milstein
Lloyd Ebright
Alan Flannigan
Sonia Kikeri

Edward Quinn, Buck
Pilar Sorensen, Private Equity
Stakeholder Project
Jill Vecchio
Don Vymazal

Staff Present:

Connie Billett
Brian Carl
Tivia Danner
Dwight Decker
Mercedes Evans
Dennis Filipovich
Andrew Fiscus
Darren Foreman
Todd Fulton

Mei Gentry
James Grossman
Chuck Hodge
Luke Jacobs
Jill Johns
John Kemp
Denise Knapp
Stephanie Lanius
Jackie Lutz

Jennifer Mills
Jarrett Richards
Gene Robison
Joe Sheva
Kathrin Smith
Charles Spiller
Kelly Sprenkle
William Stalter
Laura Vitale

Minutes from March 5, 2021

Melva Vogler moved to approve the minutes of the March 5, 2021 meeting. Patrick Shaughnessy seconded the motion, which passed unanimously.

Minutes from Special Board Meetings

Rep. Frank Ryan moved to approve the minutes from the following Special Board Meetings. Sec. Richard Vague seconded the motion, which passed unanimously.

March 12, 2021

March 29, 2021

April 2, 2021

April 6, 2021

April 9, 2021

April 14, 2021

April 19, 2021

April 21, 2021

April 28, 2021

May 5, 2021

May 12, 2021

May 19, 2021

June 2, 2021

June 8, 2021

Public Comment – Private Equity Stakeholder Project Presentation

At 1:25 P.M., Eileen O’Grady and Jennifer Jang, Private Equity Stakeholder Project, provided comments regarding pandemic-era evictions; Pandemic Evictor – Don Mullen’s Pretium Partners Files to Evict Black Renters, Collects Billions From Investors. Presentation located in Diligent Board Book.

Introduction of New Employees – Glen Grell

Presentation located in Diligent Board Book.

Executive Session

At 1:40 P.M., Glen Grell, Executive Director, stated “In Accordance with Section 5.13 of the Bylaws of the Public School Employees’ Retirement Board, we are going into **Executive Session** to discuss the item listed on today’s agenda, namely consultation with Office of Chief Counsel and CyberSecurity. According to Section 708(a) of the Sunshine Act, 65 Pa. C.S. 708(a), we are going into Executive Session to discuss advice of counsel regarding pending or potential litigation and agency business which, if conducted in public would violate a privilege or lead to the disclosure of information or confidentiality protected by law.”

Rep. Frank Ryan moved, and Jason Davis seconded, which passed unanimously.

Regular session resumed at 2:42 P.M.

Budget/Finance Committee Report

Stacey Connors reported on the Budget/Finance Committee meeting held on June 10, 2021.

Stacey Connors stated that the Committee approved the minutes of the March 4, 2021 meeting.

Stacey Connors stated that David Driscoll, Edward Quinn, and Nakar Salvador from Buck gave a presentation on the Mortality Assumptions for the Five-Year Actuarial Experience Review July 1, 2015 to June 30, 2020.

Action Item –

Resolution 2021-18 Re: Five-Year Actuarial Experience Review – July 1, 2015 to June 30, 2020 – Mortality Assumptions.

Resolved, that the Public School Employees’ Retirement Board (the “Board”) hereby accepts the June 30, 2020 Five-Year Actuarial Experience Review Demographic Assumptions – Mortality Assumptions presentation prepared by Buck, and further recommends to adopt the mortality assumptions as more specifically set forth in the attached exhibits.

The adopted assumptions will be implemented in the June 30, 2021 actuarial valuation.

Stacey Connors for Sen. Patrick Browne moved, and Eric DiTullio seconded, which passed unanimously.

Health Care Committee Report

Susan Lemmo reported on the Health Care Committee meeting held on June 10, 2021.

Susan Lemmo stated that the Committee approved the minutes of the March 4, 2021 meeting.

Susan Lemmo reported on the following:

Peter Camacci, Director Health Insurance Office, provided a Health Options Program update. Melanie Clark, VP Actuary Segal, discussed self-insured medical plan experience and provided recommendations on 2022 proposed medical plans and rates.

Ed Kaplan, Senior VP Segal, discussed self-insured Medicare Part D drug plan experience and provided recommendations on 2022 proposed Rx plans and rates

Action Item –

Resolution 2021-19 Re: Pre-65 Medical Plan Premium Rates Effective January 1, 2022

Resolved, that the Public School Employees’ Retirement Board (the “Board”) hereby adopts the following monthly premium rates of the Pre-65 Medical Plan effective January 1, 2022 for calendar year 2022:

Monthly Premium Rates	All Regions		
	2021	2022	% Increase
Pre-65 Retiree Options			
Pre-65 Medical Only			
Single	\$941	\$990	5%
Two Person	\$1,882	\$1,980	5%
Pre-65 Medical with Rx			
Single	\$1,060	\$1,115	5%
Two Person	\$2,120	\$2,230	5%

Susan Lemmo moved, and Melva Vogler seconded, which passed unanimously.

Resolution 2021-20 Re: Value Medical Plan Premium Rates Effective January 1, 2022

Resolved, that the Public School Employees' Retirement Board (the "Board") hereby adopts the following monthly premium rates of the Value Medical Plan effective January 1, 2022 for calendar year 2022:

Monthly Premium Rates

Pennsylvania (Bucks, Chester, Delaware, Montgomery, and Philadelphia Counties)		Southeast (Out of State Zone 1)		
Value Medical Plan (no Rx coverage)		2021	2022	% Increase
Standard Rates (only)	Single	\$117	\$117	0%
	Two Person	\$234	\$234	0%

Pennsylvania (Allegheny, Fayette, Greene, Indiana, Washington, and Westmoreland Counties)		Southwest (Out of State Zone 2)		
Value Medical Plan (no Rx coverage)		2021	2022	% Increase
Standard Rates (only)	Single	\$115	\$115	0%
	Two Person	\$230	\$230	0%

Pennsylvania (All Other Counties)		North & Central		
Value Medical Plan (no Rx coverage)		2021	2022	% Increase
Standard Rates (only)	Single	\$102	\$102	0%
	Two Person	\$204	\$204	0%

Zone 1: FLORIDA (Alachua, Bay, Bradford, Brevard, Broward, Calhoun, Charlotte, Citrus, Clay, Collier, Dixie, Miami-Dade, Duval, Gilchrest, Glades, Gulf, Hamilton, Hendry, Hernando, Highlands, Hillsborough, Indian River, Lafayette, Levy, Liberty, Martin, Monroe, Nassau, Okaloosa, Orange, Palm Beach, Pinellas, Putnam, St. Johns, Seminole, Sumter, Union, & Walton) NEW JERSEY (Atlantic, Bergen, Cape May, Hudson, Middlesex, Monmouth, Morris, Passaic, Somerset, Sussex, Union), NEW YORK (Kings (Brooklyn), Nassau, Orange, Putnam, Queens, Rockland, Suffolk, Sullivan, Ulster, Westchester)

Zone 2: ALABAMA, ALASKA, ARIZONA, ARKANSAS, CALIFORNIA, COLORADO, CONNECTICUT, DELAWARE, FLORIDA (Baker, Columbia, De Soto, Escambia, Flagler, Franklin, Gadsden, Hardee, Holmes, Jackson, Jefferson, Lake, Lee, Leon, Madison, Manatee, Marion, Okeechobee, Osceola, Pasco, Polk, Saint Lucie, Santa Rosa, Sarasota, Suwannee, Taylor, Volusia, Wakulla, Washington), GEORGIA, GUAM, HAWAII, IDAHO, ILLINOIS, INDIANA, IOWA, KANSAS, KENTUCKY, LOUISIANA, MAINE, MARYLAND, MASSACHUSETTS, MICHIGAN, MINNESOTA, MISSISSIPPI, MISSOURI, MONTANA, NEBRASKA, NEVADA, NEW HAMPSHIRE, NEW JERSEY (Burlington, Camden, Cumberland, Essex, Gloucester, Hunterdon, Mercer, Ocean, Salem & Warren), NEW MEXICO, NEW YORK (Albany, Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton, Columbia, Courtland, Dutchess, Delaware, Erie, Essex, Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer, Jefferson, Lewis, Livingston, Madison, Montgomery, New York, Niagara, Oneida, Onondaga, Ontario, Orleans, Oswego, Rensselaer, Richmond, Saratoga, Seneca, Schenectady, Schuyler, Schoharie, Steuben, Tioga, Tompkins, St. Lawrence, Warren, Washington, Wayne, Wyoming, Yates), NORTH CAROLINA, NORTH DAKOTA, OHIO, OKLAHOMA, OREGON, PUERTO RICO, RHODE ISLAND, SOUTH CAROLINA, SOUTH DAKOTA, TENNESSEE, TEXAS, UTAH, VERMONT, VIRGIN ISLANDS, VIRGINIA, WASHINGTON, WASHINGTON, DC, WEST VIRGINIA, WISCONSIN, WYOMING

Susan Lemmo moved, and Debbie Beck seconded, which passed unanimously.

Resolution 2021-21 Re: HOP Medical Plan Benefit Changes and Rates Effective January 1, 2022
Resolved, that the Public School Employees' Retirement Board (the "Board") hereby adopts the following monthly premium rates of the HOP Medical Plan effective January 1, 2022 for calendar year 2022:

Monthly Premium Rates

HOP Medical Plan		Southeast (Out of State Zone 1)		
		2021	2022	% Increase
Standard Rates	Single	\$207	\$207	0%
	Two Person	\$414	\$414	0%
Age 65 Rates	Single	\$176	\$176	0%
	Two Person	\$352	\$352	0%
Age 65 Rates (2 nd Year)	Single	\$183	\$183	0%
	Two Person	\$366	\$366	0%
Age 65 Rates (3 rd Year)	Single	\$189	\$189	0%
	Two Person	\$378	\$378	0%
Age 65 Rates (4 th Year)	Single	\$195	\$195	0%
	Two Person	\$390	\$390	0%
Age 65 Rates (5 th Year)	Single	\$201	\$201	0%
	Two Person	\$402	\$402	0%

Pennsylvania (Bucks, Chester, Delaware, Montgomery, and Philadelphia Counties)

Zone 1: FLORIDA (Alachua, Bay, Bradford, Brevard, Broward, Calhoun, Charlotte, Citrus, Clay, Collier, Dixie, Miami-Dade, Duval, Gilchrest, Glades, Gulf, Hamilton, Hendry, Hernando, Highlands, Hillsborough, Indian River, Lafayette, Levy, Liberty, Martin, Monroe, Nassau, Okaloosa, Orange, Palm Beach, Pinellas, Putnam, St. Johns, Seminole, Sumter, Union, & Walton) NEW JERSEY (Atlantic, Bergen, Cape May, Hudson, Middlesex, Monmouth, Morris, Passaic, Somerset, Sussex, Union), NEW YORK (Kings (Brooklyn), Nassau, Orange, Putnam, Queens, Rockland, Suffolk, Sullivan, Ulster, Westchester)

HOP Medical Plan (no Rx coverage)		Southwest (Out of State Zone 2)		
		2021	2022	% Increase
Standard Rates	Single	\$198	\$198	0%
	Two Person	\$396	\$396	0%
Age 65 Rates	Single	\$169	\$169	0%
	Two Person	\$338	\$338	0%
Age 65 Rates (2 nd Year)	Single	\$175	\$175	0%
	Two Person	\$350	\$350	0%
Age 65 Rates (3 rd Year)	Single	\$181	\$181	0%
	Two Person	\$362	\$362	0%
Age 65 Rates (4 th Year)	Single	\$187	\$187	0%
	Two Person	\$374	\$374	0%
Age 65 Rates (5 th Year)	Single	\$193	\$193	0%
	Two Person	\$386	\$386	0%

Pennsylvania (Allegheny, Fayette, Greene, Indiana, Washington, and Westmoreland Counties)

Zone 2: ALABAMA, ALASKA, ARIZONA, ARKANSAS, CALIFORNIA, COLORADO, CONNECTICUT, DELAWARE, FLORIDA (Baker, Columbia, De Soto, Escambia, Flagler, Franklin, Gadsden, Hardee, Holmes, Jackson, Jefferson, Lake, Lee, Leon, Madison, Manatee, Marion, Okeechobee, Osceola, Pasco, Polk, Saint Lucie, Santa Rosa, Sarasota, Suwannee, Taylor, Volusia, Wakulla, Washington), GEORGIA, GUAM, HAWAII, IDAHO, ILLINOIS, INDIANA, IOWA, KANSAS, KENTUCKY, LOUISIANA, MAINE, MARYLAND, MASSACHUSETTS, MICHIGAN, MINNESOTA, MISSISSIPPI, MISSOURI, MONTANA, NEBRASKA, NEVADA, NEW HAMPSHIRE, NEW JERSEY (Burlington, Camden, Cumberland, Essex, Gloucester, Hunterdon, Mercer, Ocean, Salem & Warren), NEW MEXICO, NEW YORK (Albany, Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton, Columbia, Courtland, Dutchess, Delaware, Erie, Essex, Franklin, Fulton, Genesee, Greene, Hamilton, Herkimer, Jefferson, Lewis, Livingston, Madison, Montgomery, New York, Niagara, Oneida, Onondaga, Ontario, Orleans, Oswego, Rensselaer, Richmond, Saratoga, Seneca, Schenectady, Schuyler, Schoharie, Steuben, Tioga, Tompkins, St. Lawrence, Warren, Washington, Wayne, Wyoming, Yates), NORTH CAROLINA, NORTH DAKOTA, OHIO, OKLAHOMA, OREGON, PUERTO RICO, RHODE ISLAND, SOUTH CAROLINA, SOUTH DAKOTA, TENNESSEE, TEXAS, UTAH, VERMONT, VIRGIN ISLANDS, VIRGINIA, WASHINGTON, WASHINGTON, DC, WEST VIRGINIA, WISCONSIN, WYOMING

HOP Medical Plan (no Rx coverage)		North & Central		
		2021	2022	% Increase
Standard Rates	Single	\$179	\$179	0%
	Two Person	\$358	\$358	0%
Age 65 Rates	Single	\$153	\$153	0%
	Two Person	\$306	\$306	0%
Age 65 Rates (2 nd Year)	Single	\$158	\$158	0%
	Two Person	\$316	\$316	0%
Age 65 Rates (3 rd Year)	Single	\$163	\$163	0%
	Two Person	\$326	\$326	0%
Age 65 Rates (4 th Year)	Single	\$169	\$169	0%
	Two Person	\$338	\$338	0%
Age 65 Rates (5 th Year)	Single	\$174	\$174	0%
	Two Person	\$348	\$348	0%

Pennsylvania (Adams, Armstrong, Beaver, Bedford, Berks, Blair, Bradford, Butler, Cambria, Cameron, Carbon, Centre, Clarion, Clearfield, Clinton, Columbia, Crawford, Cumberland, Dauphin, Delaware, Elk, Erie, Forest, Franklin, Fulton, Huntingdon, Jefferson, Juniata, Lackawanna, Lancaster, Lawrence, Lebanon, Lehigh, Luzerne, Lycoming, McKean, Mercer, Mifflin, Monroe, Montour, Northampton, Northumberland, Perry, Pike, Potter, Schuylkill, Snyder, Somerset, Sullivan, Susquehanna, Tioga, Union, Venango, Warren, Wayne, Wyoming and York Counties)

Susan Lemmo moved, and Debbie Beck seconded, which passed unanimously.

Resolution 2021-22 Re: Value Medicare Rx Option Plan Benefit Changes and Rates Effective January 1, 2022

Resolved, that the Public School Employees' Retirement Board (the "Board") hereby adopts the following benefit changes and monthly premium rates of the Value Medicare Rx Option effective January 1, 2022 for calendar year 2022:

Changes Mandated By CMS

	2021	2022
Initial Coverage Stage Limit	\$ 4,130	\$ 4,430
Out-of-Pocket Threshold for Catastrophic Coverage Stage	6,550	7,050
Minimum Cost sharing in Catastrophic Coverage Portion of the Benefit		
Generic	\$3.70	\$3.95
Other	9.20	9.85

Maximum Member Payment in Coverage Gap:	2021	2022
Generic Rx	25%	25%

Maximum Member Payment in Coverage Gap:	2021	2022
Brand Rx	25% (after 70% manufacturer discount and 5% plan benefit)	25% (after 70% manufacturer discount and 5% plan benefit)
Non-Preferred Brand Rx	25% (after 70% manufacturer discount and 5% plan benefit)	25% (after 70% manufacturer discount and 5% plan benefit)

Monthly Premium Rates

Value Medicare Rx Option	2021	2022	% Increase
Single	\$23	\$22	-4%
Two Person	\$46	\$44	-4%

Susan Lemmo moved, and Sec. Richard Vague seconded, which passed unanimously.

Resolution 2021-23 Re: Basic Medicare Rx option Plan and Benefit Changes and Rates Effective January 1, 2022

Resolved, that the Public School Employees' Retirement Board (the "Board") hereby adopts the following benefit changes and monthly premium rates of the Basic Medicare Rx Option effective January 1, 2022 for calendar year 2022:

Changes Mandated By CMS

	2021	2022
Initial Coverage Stage Limit	\$ 4,130	\$ 4,430
Out-of-Pocket Threshold for Catastrophic Coverage Stage	6,550	7,050
Minimum Cost sharing in Catastrophic Coverage Portion of the Benefit		
Generic	\$3.70	\$3.95
Other	9.20	9.85

Maximum Member Payment in Coverage Gap:	2021	2022
Generic Rx	25%	25%
Brand Rx	25% (after 70% manufacturer discount and 5% plan benefit)	25% (after 70% manufacturer discount and 5% plan benefit)
Non-Preferred Brand Rx	25% (after 70% manufacturer discount and 5% plan benefit)	25% (after 70% manufacturer discount and 5% plan benefit)

Monthly Premium Rates

Basic Medicare Rx Option	2021	2022	% Increase
Single	\$69	\$66	-4%
Two Person	\$138	\$132	-4%

Susan Lemmo moved, and Patrick Shaughnessy seconded, which passed unanimously.

Resolution 2021-24 Re: Enhanced Medicare Rx Option Plan Benefit Changes and Rates Effective January 1, 2022

Resolved, that the Public School Employees' Retirement Board (the "Board") hereby adopts the following benefit changes and monthly premium rates of the Enhanced Medicare Rx Option effective January 1, 2022 for calendar year 2022:

Changes Mandated By CMS

	2021	2022
Initial Coverage Stage Limit	\$ 4,130	\$ 4,430
Out-of-Pocket Threshold for Catastrophic Coverage Stage	6,550	7,050
Minimum Cost sharing in Catastrophic Coverage Portion of the Benefit		
Generic	\$3.70	\$3.95
Other	9.20	9.85

Maximum Member Payment in Coverage Gap:	2021	2022
Generic Rx	25%	25%
Brand Rx	25% (after 70% manufacturer discount and 5% plan benefit)	25% (after 70% manufacturer discount and 5% plan benefit)
Non-Preferred Brand Rx	25% (after 70% manufacturer discount and 5% plan benefit)	25% (after 70% manufacturer discount and 5% plan benefit)

Monthly Premium Rates

Enhanced Medicare Rx Option	2021	2022	% Increase
Single	\$128	\$122	-5%
Two Person	\$256	\$244	-5%

Susan Lemmo moved, and Melva Vogler seconded, which passed unanimously.

Susan Lemmo reported the Committee held an Executive Session for Pharmacy Benefit Manager RFP Review.

DC Plan Committee Report

Alan Flannigan for Sec. Richard Vague reported on the DC Plan Committee meeting held on June 10, 2021.

Alan Flannigan for Sec. Richard Vague stated that the Committee approved the minutes of the March 05, 2021.

Educational Sessions

Regina Lee and Emily Wrightson of CAPTRUST (formerly Cammack Retirement Group), conducted a thirty-minute educational session on the basics of fiduciary duty for defined contribution plans.

Informational Sessions

Alan Flannigan presented a DC Plan Committee Work Plan. A discussion followed.

Jennifer Mills shared a presentation about employer DC Plan contributions. A discussion followed.

Audit/Compliance Committee Report

Rep. Frank Ryan reported on the Audit/Compliance Committee meeting held on June 10, 2021.

Rep. Frank Ryan stated that the Committee approved the minutes of the March 5, 2021 meeting and minutes from the following Special Audit/Compliance Committee Meetings:

March 17, 2021

March 19, 2021

March 22, 2021

April 9, 2021

April 20, 2021

May 12, 2021

Rep. Frank Ryan reported the Committee held an Executive Session for an Investment Compliance Update with Constellation.

Action Item –

Resolution 2021-25 Re: Audit Plan for FY 21/22

Resolved, that the Public School Employees' Retirement Board (the "Board") hereby adopts the Audit Plan for FY 21/22 pursuant to the recommendation of Mei Gentry, Chief Auditor Officer, dated May 28, 2021.

Rep. Frank Ryan moved, and Treas. Stacy Garrity seconded, which passed unanimously.

Resolution 2021-26 Re: Act 128 of 2020 Internal Control Assessment

Resolved, that the Public School Employees' Retirement Board (the "Board") hereby appoints an ad hoc sub-committee of the Audit/Compliance Committee to develop a plan for committee members to ensure compliance with mandatory internal control audit of the system in accordance to Act 128 of 2020.

Sen. Katie Muth requested explanation of Act 128 of 2020 to public attendees. Rep. Frank Ryan provided details.

Rep. Frank Ryan moved, and Patrick Shaughnessy seconded, which passed unanimously.

Resolution 2021-27 (A/C) Re: Engagement of Outside Counsel

Resolved, that the Public School Employees' Retirement Board (the "Board") hereby expands the scope of the special investigation to be conducted by Womble Bond Dickinson, previously authorized by Resolution 2021-11 (A/C), to include facts and circumstances surrounding the purchase and valuation of the following properties in Harrisburg, PA by PSERS: 1) former Harrisburg, Patriot News facilities on Market, Ninth and Tenth Streets; 2) former Department of General Services Building on Market Street; 3) three additional Tenth Street Parcels; 4) 1000 Market Street; and 5) the use in 2019 of \$5 Million for these purchases.

Sen. Katie Muth requested on-going updates from Womble Bond Dickinson.

Rep. Frank Ryan moved, and Jason Davis seconded, which passed unanimously.

Resolution 2021-28 Re: Investment Compliance Review report for the Period January 1, 2021 to April 16, 2021

Resolved, that the Public School Employees' Retirement Board (the "Board") hereby accepts the Investment Compliance Review Report for the period January 1, 2021 to April 16, 2021 dated May 20, 2021, As Amended on June 10, 2021 pursuant to the recommendation of Alicia E. James, Investment Compliance Manager.

Rep. Frank Ryan moved, and Eric DiTullio seconded, which passed unanimously.

Investment Committee Report

Jason Davis reported on the Investment Committee meeting held on June 10 and 11, 2021.

Jason Davis stated that the Committee approved the minutes of the March 4, 2021 meeting.

Jason Davis reported on the following:

Mark Brubaker, Verus, was introduced as Consultant to the Board during the investigation and audit.

Jason Davis gave a short update on PSERS Investment Office personnel's new designations and conferences/speaking arrangements over the past few months.

James Grossman gave a brief update on FIGS (Tulco).

Bob Prince, Bridgewater, and Ian Toner, Verus, gave a PSERS Market Overview presentation.

James Grossman gave a PSERS Investment Office Dashboard Overview.

Claire Shaughnessy, Brandon Patterson and Steve Vos, Aon, gave a PSERS Performance presentation.

Thomas Bauer gave an Internal management in Traditional Investments presentation.

Susan Oh and Angela Chen gave an ESG/Sustainability Investing presentation.

Jason Davis reported the Committee held an Executive Session, with discussion led by James Grossman.

James Grossman gave a preview of future Investment Committee meetings.

Action Items –

Resolution 2021-29 Re: Capstone Commonwealth Fund L.P.

Resolved, that the Public School Employees' Retirement Board (the "Board") hereby invests (1) in the first year \$80 million in the Capstone Commonwealth Fund L.P. and/or related investment vehicles (together, "the Fund"), which amount is known as the Established Program Size ("EPS") and which itself is the sum of the Annual Premium Budget ("APB" and is equal to ½ the EPS) which is equal to \$40 million and a remaining portion for excess collateral purposes (also equal to ½ the EPS) which is equal to \$40 million, plus reasonable normal investment expenses; and (2) at the start of each subsequent year an amount necessary to ensure that the APB and the excess collateral in the Fund at the start of that year each equal no more than ½ of the Budget (as defined in the Tail Risk Mitigation Strategy Policy), plus reasonable normal investment expenses in accordance with the recommendation of Carl Lantz, Senior Portfolio

Manager, dated May 26, 2021, and Aksia, LLC, dated May 17, 2021. The final terms and conditions of the investment must be satisfactory to the Investment Office, the Office of Chief Counsel, and the Office of Executive Director, as evidenced either by the appropriate signatures on, or by a memo to that effect appended to, the implementing investment contract.

Jason Davis moved, and Rep. Frank Ryan seconded, which passed; with two opposed being Sen. Katie Muth and Treas. Stacy Garrity, with Sen. Muth noting she did not have access to information regarding the investment.

Resolution 2021-30 Re: Investment Governing Policy

Resolved, that the Public School Employees' Retirement Board (the "Board") hereby adopts the proposed Qualified Independent Representative (QIR) Policy for the Public School Employees' Retirement System pursuant to the recommendation of Joseph W. Sheva, Senior Investment Risk and Compliance Manager, dated June 3, 2021.

Jason Davis moved, and Eric DiTullio seconded, which passed unanimously.

Appeals and Member/Employer Services Committee Report

Deborah Beck reported on the Appeals and Member/Employer Services Committee meeting held on June 11, 2021.

Deborah Beck stated that the Committee approved the minutes of the March 5, 2021 meeting.

Action Items –

Deborah Beck moved in the Account of J.H., that the Board adopt the Hearing Examiner's Opinion and Recommendation and deny Claimant's appeal. Eric DiTullio seconded the motion, which passed unanimously.

Debbie Beck reported that the Committee reviewed the Executive Staff Review Committee reports for February 26, 2021, March 26, 2021, and April 30, 2021, and that Gene Robison, Director of the Bureau of Communications and Counseling, provided an update on check delays and communications.

Chief Financial Officer's Report

Brian Carl presented Chief Financial Officer's Report through a slide deck, which included:

March 31, 2021 Financial Statements and Post-March 31st Update

March 31, 2021 Admin. And Investment Related Exp. Budget Status

Private investment Accounting and Administrative Services (PIASS)

Member Direct Deposit vs Checks

Annual Report Award

Other Finance-Related Activities

- a. Implementing Workiva Financial Reporting Software
- b. GASB proposed to rename the CAFR "Comprehensive Annual Financial Report" to ACFR "Annual Comprehensive Financial Report"
- c. GASB 68(Pension)/75(OPEB) employer reporting schedules
- d. Five-Year Experience Review – Economic assumptions
- e. Planning for Fiscal Year-end

Office of Chief Counsel Report

Jackie Lutz presented Office of Chief Counsel's Report, which included:

On May 10, 2021 the PA Supreme Court granted the Board's request for allowance of appeal in the Whalen v. PSERB matter.

Blackhawk School District update from Board determination dated March 2021.

Deputy Executive Director of Administration Report

Bev Hudson presented Deputy Executive Director's Report through a slide deck, which included:

A personal and professional introduction and background prior to joining PSERS

Shared Service: Vision and Planning

- Seek out customer feedback
- Identify opportunities to assist
- Clarify customer expectations
- Collaborate across shared services, leveraging experience and capacity

Enterprise Performance and Risk Management

Next Steps

- Align Enterprise Risk management planning with governance recommendations
- Collaborate to develop a strategic planning approach for PSERS
- Socialize ERM concepts and train management
- Regroup on effort to prepare and respond to Internal Controls Assessment
- Identify full scope of activities performed across bureaus

Deputy Executive Director and Director of Defined Contribution Plan Report

Jennifer Mills presented Deputy Executive Director's Report through a slide deck, which included:

Cost Effectiveness Measurement (CEM) Benchmarking Results – "Measure what matters because what gets measured, gets managed."

- How it Works -Making Better Decisions
- Customer Peer Group for Pennsylvania PSERS

DC Plan Review

- Statistics at a Glance
- myOrangeMoney Engagement over last 12 months
- Voluntary After-Tax Activity 1Q2021
- Balance by Investment as of March 31, 2021
- Investment Return – Target Date Funds
- Fees and Expenses

Executive Director Report

Glen Grell presented Executive Director's Report through a slide deck, which included:

Executive Director Presentations/Events

- a. NIRS 12th Annual Retirement Policy Conference April 12-14
- b. PAPERS Conference May 12-13, 19-20, 26-27

- c. LVASBO Presentation June 4
- d. NCTR Spring Executive Committee Meeting June 4

Upcoming Presentations/Events

- a. NCTR Annual Trustee Workshop July 26-28
- b. NASRA Annual Conference Aug 7-11
- c. NCTR Annual Conference Oct 10-12

Current Issues

- a. COVID-19 Return to Work Protocols and Permanent Telework Policy
- b. Board Governance Review – Funston
- c. Shared Risk Implementation
- d. Future Meetings – July 13 and August Board

Highlighted Jennifer Mills receiving The Certified Plan Sponsor Professional (CPSP) Credential.

Board Members Comments

Glen Grell, Executive Director, read a member letter to the Board.

Chair SantaMaria noted that certain Board members had requested a personnel matter be placed on the Board Agenda; however the request was withdrawn. Sen. Katie Muth responded to the withdrawal of the request.

Eric DiTullio made reference to PSBA's Principles for Governance and Leadership and encourages Trustees to review and consider these principles.

Adjournment

The Board meeting adjourned at 4:28 P.M.

Next Meeting

The next regularly scheduled meeting of the Public School Employee's Retirement Board will be held August 4-6, 2021, via MS Teams at PSERS' Headquarters, 5 North 5th Street, Harrisburg, PA.

DocuSigned by:
Glen Grell
D70A7322457F4E6...
7/22/2021

DocuSigned by:
Glen Grell
D70A7322457F4E6...
8/9/2021